



Washington State Senate

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\$2.4 billion transportation package headed to the ballot

OLYMPIA — On Thursday, the Legislature passed a transportation finance package that cuts annual car taxes and funds essential road projects. Under the proposal, voters will decide if they want to cut their annual car taxes by \$30 and shift a portion of the car tax revenue to reduce congestion on the state's roads and bridges.

"This is a responsible funding package," said Senate Ways and Means Chairman James E. West. "This addresses the state's transportation needs over the next five years by using existing revenues. We accomplish this without raising the gas tax."

Under the proposal, money from the general fund, specifically the motor vehicle excise tax, will be shifted to the transportation budget. The package provides \$257 million in tax relief for people beginning in 1999. Besides cutting the MVET, it also eliminates the practice of valuing vehicles at 100 percent of value in the second year of ownership.

"This corrects a misconception most people have concerning how car tax revenues have been used by the state. Nearly half of that money has been used for non-transportation purposes. If the people approve this plan, the taxes they pay for their license tabs will begin paying for roads," West said.

Other components of the measure:

- ▶ Provides \$85 million to accelerate road construction projects
- ▶ Establishes a joint-committee to study long-term needs and financing for state and local transportation
- ▶ Enhances local criminal justice funding
- ▶ Protects education and other critical programs in the general fund
- ▶ Requires voter approval in November 1998

"This is a comprehensive package that funds immediate needs, begins identifying long-term solutions, and ensures that the state's critical programs, like education, are protected," West said.

The transportation finance package authorizes up to \$1.9 billion in bonds.